

CITY OF DURHAM, NORTH CAROLINA

Management's Discussion and Analysis

For the Year Ended June 30, 2002

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Durham's financial performance provides an overview of the City's financial activities for the year ended June 30, 2002. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, and the basic financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the Fiscal Year 2002 are as follows:

- The assets of the City of Durham exceeded its liabilities at the close of the most recent fiscal year by \$224,723,779. Of this amount, \$172,179,332 may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net assets increased by \$7,201,187 during the most recent fiscal year resulting from governmental and business-type activities. This increase is due primarily to an excess of operating revenues over operating expenses in the Water and Sewer Enterprise Fund.
- As of the close of the fiscal year, the City of Durham's governmental funds reported combined ending fund balances of \$74,903,204, an increase of \$24,603,576 in comparison with the prior year. The bulk of this increase is due to the issuance of debt reflected in the Capital Project Funds. Approximately one third of this total is unreserved fund balance available for spending at the City's discretion.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$13,541,204, or 10.47 % of total general fund expenditures.
- The City of Durham's total debt increased by \$33,737,215 (9.26%) during the current fiscal year. The primary component of this increase was the issuance of \$25,910,000 in general obligation public improvement bonds.
- The City of Durham maintained its AAA bond rating from all three bond rating agencies.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Durham's basic financial statements. The City of Durham's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). This report also contains other supplementary information in addition to the basic financial statements themselves.

Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the City's financial status.

The next statements (Exhibits 3 through 12) are Fund Financial Statements. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the City's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Durham's finances in a manner similar to a private-sector business.

Required Components of the Annual Financial Report

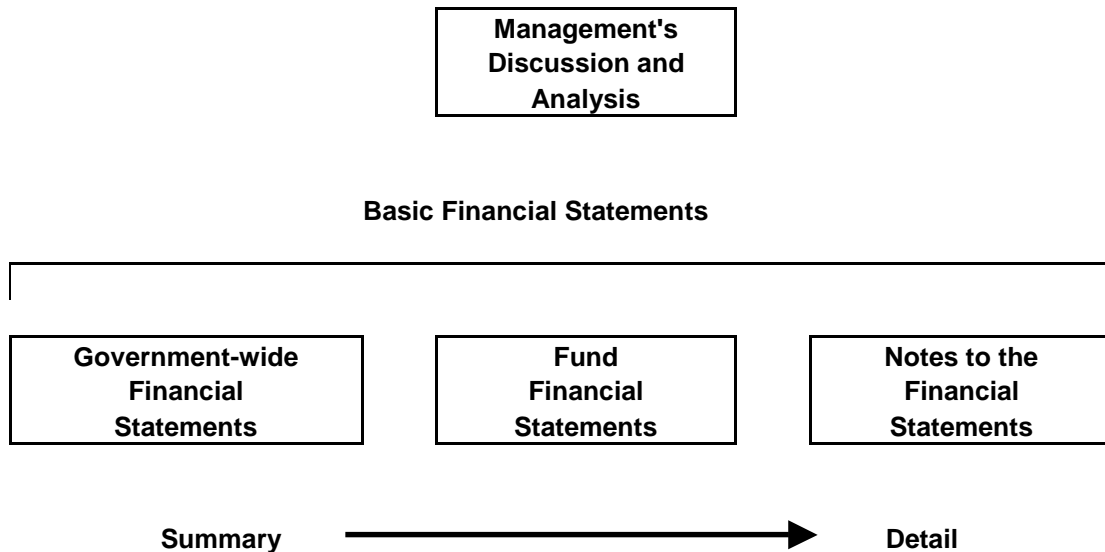


Figure 1

The statement of net assets presents information on all of the City of Durham's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Durham is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Durham that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business type activities). The governmental activities of the City of Durham include general government, public safety, streets, planning, inspections, recreation and parks. The business type activities of the City of Durham include water and sewer, parking facilities, transit, solid waste management, civic center, ballpark and storm water management.

The government-wide financial statements include not only the City of Durham itself, but also two legally separate non profit corporations for which the City of Durham is financially accountable. The Durham Risk Management Corporation (DRM) is a nonprofit corporation duly incorporated in the State, and validly existing and in good standing under the North Carolina Nonprofit Corporation Act, Chapter 55A of the General Statutes of North Carolina. Although legally separate from the City, DRM is reported as if it were part of the government because its sole purpose is to assist the City in carrying out its municipal and governmental functions through the provision of risk management and the administration of claims and is not engaged in any other activity and has no taxing power. All DRM activities are included in the Risk Retention Fund, which is an Internal Service Fund.

The New Durham Corporation (NDC) is legally separate from the City, although the NDC is reported as if it were a part of the government because its purpose is to finance City revitalization projects and purchases of capital equipment. All NDC activities are included in the funds in which the activity takes place.

The government-wide financial statements can be found on pages 18-21 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Durham, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Durham can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City of Durham adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens

of the City, the management of the City, and the decisions of the City Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted; 2) the final budget as amended; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement. The basic governmental fund financial statements can be found on pages 22-27.

Proprietary Funds The City of Durham has two different kinds of proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. These services include water and sewer, parking facilities, transit, solid waste, civic center, ballpark and storm water management. They are the same as those functions shown in the business-type activities in the Statement of Net Assets and the Statement of Activities. *Internal Service Funds* are used as an accounting device to accumulate and allocate costs internally among other funds. The City uses an internal service fund to account for risk management and claims settlement activities. The Risk Retention Fund, because its operation benefits predominantly governmental rather than business-type activities, has been included within the governmental activities in the government-wide financial statements.

Fiduciary Funds The City's only *Fiduciary Fund*, a pension trust, is used to account for resources held for the benefit of the City's employees. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 45-70.

Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of Durham's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 71-72.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements for the fiscal year ended June 30, 2002 are the beginning of a new era in financial reporting for the City of Durham, and many other units of government across the United States. Prior to this year, the City maintained their governmental and proprietary fund groups as two separate and very distinct types of accounting without any type of consolidated statement that accurately reflected the operations and net assets of the government as a whole. There was a total column that appeared on the financial statements, but it was a memorandum total only. No attempt was made to adjust the statements in such a way that the total column would represent the overall financial condition of the City. These statements were basically the equivalent of the fund financial statements that appear in this report with fiduciary funds and two account groups, the long-term debt and the general fixed assets, added in.

The changes in the financial statement reporting model are mandated by the Governmental Accounting Standards Board (GASB). GASB Statement 34 dictated the changes you see in the City of Durham's comprehensive annual financial report as well as those of many other units of government. While the City was required to implement these changes for the fiscal year ended June 30, 2002, other units may not be required to implement until 2003 or 2004. Because of the new reporting model, comparative data for all facets of this report are not available. When comparative numbers are accessible, they have been included, such as with net assets. Future years' reports will have more comparative data that will allow more opportunities for comparative analysis.

Statement of Net Assets As of June 30, 2002

	Governmental Activities	Business-type Activities	Total
	2002	2002	2002
Current and other assets	\$ 144,748,960	\$ 106,506,481	\$ 251,255,441
Capital assets	146,892,723	283,223,675	430,116,398
Total assets	291,641,683	389,730,156	681,371,839
Long-term liabilities outstanding	157,317,200	236,627,207	393,944,407
Other liabilities	32,463,554	30,240,099	62,703,653
Total liabilities	189,780,754	266,867,306	456,648,060
Net assets:			
Invested in capital assets, net of related debt	4,969,527	47,574,920	52,544,447
Restricted	41,429,454	17,313,572	58,743,026
Unrestricted	55,461,948	57,974,358	113,436,306
Total net assets	\$ 101,860,929	\$ 122,862,850	\$ 224,723,779

For more detailed information see the Statement of Net Assets on page 18.

Net assets may serve over time as one useful indicator of a government's financial condition. The assets of the City exceeded liabilities by \$224,723,779 as of June 30, 2002. Net assets are reported in three categories: Invested in capital assets, net of related debt of \$52,544,447, restricted net assets of \$58,743,026 and unrestricted net assets \$113,436,306.

The invested in capital assets, net of related debt category is defined as the City's investment in City owned capital assets (e.g. land, buildings, automotive equipment, office and other equipment, and sewer lines), less any related debt still outstanding that was issued to acquire those items. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities

Another category of net assets is restricted net assets. This represents resources that are subject to external restrictions on how they may be used. At June 30, 2002 the City had \$58,743,026 in restricted assets.

The final category of net assets is unrestricted net assets. This balance may be used to meet the government's ongoing obligations to citizens and creditors. At June 30, 2002, the total reported was \$113,436,306.

The following is a schedule of revenues and expenses for the current fiscal year.

Statement of Activities

	Governmental Activities	Business-type Activities	Total
	2002	2002	2002
Revenues:			
Program revenues:			
Charges for services	\$ 18,751,047	\$ 71,978,347	\$ 90,729,394
Operating grants and contributions	9,146,661	427,779	9,574,440
Capital grants and contributions	3,979,489	126,025	4,105,514
General revenues:			
Property taxes	73,896,587	1,090,958	74,987,545
Other taxes	30,313,289	-	30,313,289
Grants and contributions not restricted to specific programs	5,863,538	-	5,863,538
Other	5,180,824	-	5,180,824
Total revenues	147,131,435	73,623,109	220,754,544

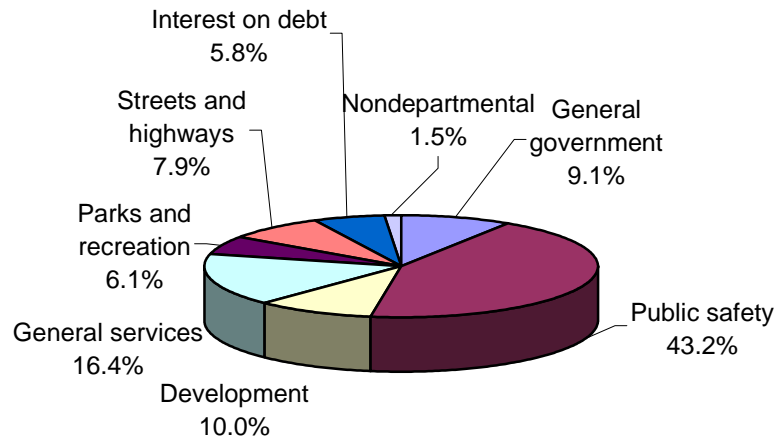
	Governmental Activities	Business-type Activities	Total
	2002	2002	2002
Expenses:			
General government	12,563,069	-	12,563,069
Public safety	59,361,726	-	59,361,726
Development	13,695,429	-	13,695,429
General services	22,568,784	-	22,568,784
Parks and recreation	8,332,950	-	8,332,950
Streets and highways	10,818,417	-	10,818,417
Interest on long-term debt	8,008,197	-	8,008,197
Nondepartmental	2,001,504	-	2,001,504
Water and sewer	-	44,126,403	44,126,403
Parking facilities	-	1,993,515	1,993,515
Transit	-	11,647,698	11,647,698
Solid waste disposal	-	9,842,653	9,842,653
Civic center	-	1,736,560	1,736,560
Ballpark	-	2,046,787	2,046,787
Storm water management	-	4,809,665	4,809,665
Total expenses	137,350,076	76,203,281	213,553,357
Increase in net assets before transfers	9,781,359	(2,580,172)	7,201,187
Transfers	(8,559,747)	8,559,747	-
Increase in net assets	1,221,612	5,979,575	7,201,187
Net assets, July 1	100,639,317	116,883,275	217,522,592
Net assets, June 30	\$ 101,860,929	\$ 122,862,850	\$ 224,723,779

Governmental Activities

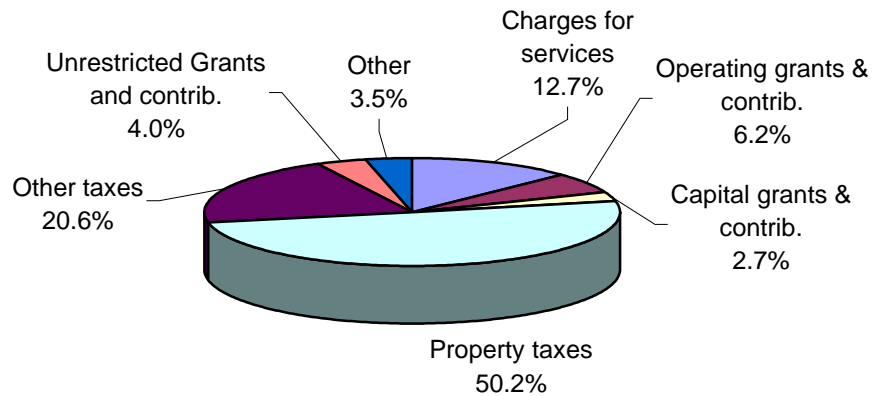
Because this is the first year that a *statement of activities* is being presented there is no comparison to the prior year. The only comparison that can be made is the change in total net assets, an increase of \$1,221,612.

Tax revenues (\$104,209,876) covered approximately 76% of governmental activity expenses (\$137,350,076) and program revenues (\$31,877,197) generated approximately 23%. Public safety accounted for approximately 43% of all expenses in governmental activities. The following graphs show the breakdown by percentage of governmental expenses and revenues.

Governmental Expenses FY01-02



Governmental Revenues FY01-02

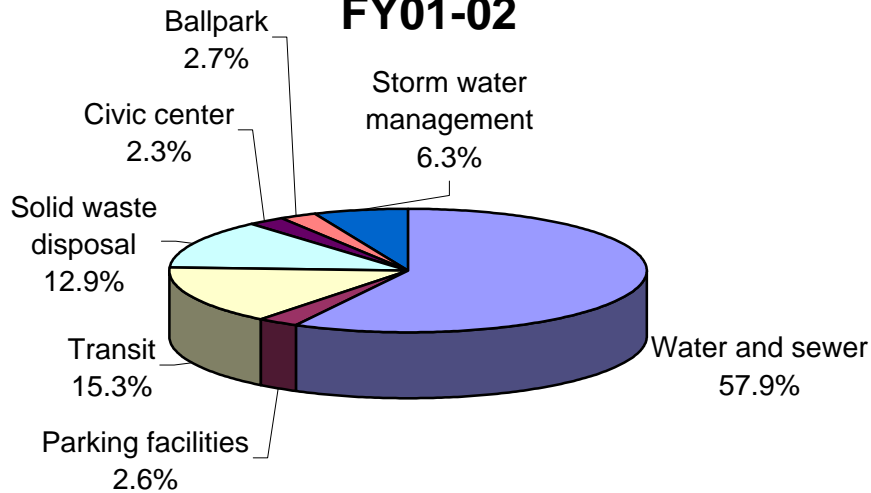


Business-type Activities

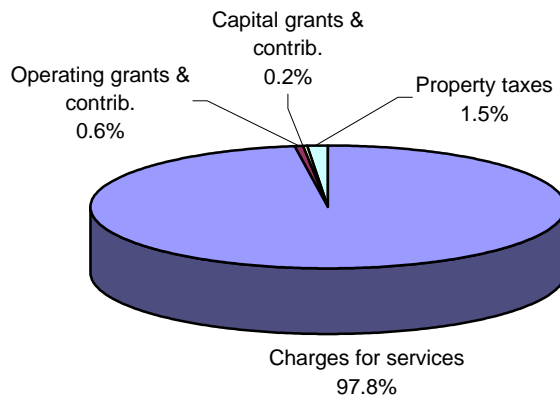
The water and sewer activity is the largest of the business type activities, it accounted for more than 57% of the expenses (\$44,126,403) and almost 69% (\$50,022,886) of the revenues. Total business type expenses were \$76,203,281 and total revenues were \$72,532,151.

The following graphs show the breakdown by percentage of business type expenses and revenues.

Business-type Activities Expenses FY01-02



Business-type Activities Revenues FY01-02



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the City's general fund had a fund balance of \$22,844,708, of which \$13,541,204 was unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to:

- Liquidate contracts and purchase orders of the prior period \$3,755,336
- Restricted cash \$1,845,337
- Reserved by state statute \$2,966,748
- Designated for subsequent years expenditures, (\$715,000)
- Other restricted purposes (\$21,083)

The undesignated fund balance of the general fund increased by \$223,384 during the current fiscal year. Revenues in the general fund increased by \$3,010,440 to \$132,528,752. Taxes increased by \$6,323,052 to \$100,353,319, but intergovernmental revenues decreased from \$17,250,240 to \$12,900,986 an amount of \$4,349,254. This was due to a decrease in state shared revenues. All other sources of revenue in the general fund had minor increases or decreases.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets of the proprietary funds at the end of the fiscal year amounted to:

- Water and Sewer Utility \$84,331,409
- Parking Facilities \$320,743
- Transit \$1,286,597
- Solid Waste Disposal \$(5,332,393)
- Civic Center \$(6,204,135)
- Ballpark \$(4,364,543)
- Storm Water Management \$4,948,034.

The total growth in net assets for all proprietary funds was \$5,979,575. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Differences between the original budget and the final amended budget were minor (\$6,902,709 increase in appropriations) and can be briefly summarized as follows:

- \$358,991 increase in governance
- \$1,090,538 increase in public protection
- \$2,217,934 increase in community service and development
- \$1,254,998 increase in administrative and support services
- \$1,980,248 increase in cemetery operations

Of this increase, \$4,910,299 was to be funded out of other revenues, \$1,982,100 was to be transferred from other funds and \$110,310 was to be budgeted from available fund balance. There was a \$100,000 decrease in intergovernmental revenues.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2002, totals \$700,974,071. These assets include buildings, infrastructure, land, machinery and equipment, park facilities, vehicles, water and sewer lines, and construction in progress.

Major capital asset transactions during the year include the following additions.

Business type activities:

- Construction in progress for water capital assets of \$5,700,123.
- Construction in progress for sewer capital assets of \$1,932,596.

Governmental type activities:

- Construction in progress for park improvement projects \$3,325,331.
- Construction in progress for street projects \$5,979,726.
- Construction in progress for municipal buildings \$4,645,744.

Capital Assets

	Governmental Activities 2002	Business-type Activities 2002	Total 2002
Land	\$ 22,353,098	\$ 36,023,771	\$ 58,376,869
Buildings, equipment and depreciable assets	161,584,697	450,991,688	612,576,385
Construction in progress	14,778,668	15,242,149	30,020,817
Total	<u>\$ 198,716,463</u>	<u>\$ 502,257,608</u>	<u>\$ 700,974,071</u>

See Note 3, C beginning on page 55 of this report for more information.

Debt Administration

As of year-end, the City had \$398,227,501 in debt (bonds, notes, etc...) outstanding compared to \$364,490,286 in the prior fiscal year, a 9.26% increase.

	Governmental Activities		Business-type Activities		Total	
	2002	2001	2002	2001	2002	2001
General obligation bonds	\$ 103,331,160	\$ 83,058,287	\$ 127,908,843	\$ 136,461,713	\$ 231,240,003	\$ 219,520,000
Revenue bonds	5,080,000	5,135,000	48,310,000	28,095,000	53,390,000	33,230,000
Certificates of Participation	53,275,000	51,860,000	15,475,000	16,610,000	68,750,000	68,470,000
Capital leases	273,529	454,317	-	-	273,529	454,317
State of North Carolina	59,249	59,249	12,375,227	10,425,227	12,434,476	10,484,476
Durham County	-	-	32,139,493	32,331,493	32,139,493	32,331,493
Total	<u>\$ 162,018,938</u>	<u>\$ 140,566,853</u>	<u>\$ 236,208,563</u>	<u>\$ 223,923,433</u>	<u>\$ 398,227,501</u>	<u>\$ 364,490,286</u>

The City issued the following debt for the fiscal year end June 30, 2002:

Revenue Bond Issuance

On July 31, 2001 the City of Durham issued Water and Sewer Utility System Revenue Bonds, Series 2001 dated July 15, 2001 in the amount of \$22,000,000. The bonds were issued to the provisions of The Local Government Act, as amended, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina, orders duly adopted by the City Council of the City, and resolution duly passed by the City Council. The bonds are being issued to provide funds, together with other available funds, to pay, or reimburse the City for paying, a portion of the costs of the acquisition and construction of certain improvements to the Water and Sewer Utility System of the City.

Certificates of Participation Issuance

On July 31, 2001 the City of Durham issued Certificates of Participation, (COPS) Series 2001 dated July 15, 2001 in the amount of \$23,660,000. The COPS were issued to the provisions of The Local Government Act, as amended, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina, orders duly adopted by the City Council of the City, and resolution duly passed by the City Council. The COPS are being issued to provide funds that will be used by the City to pay the costs of renovation of City Hall, acquisition, construction and equipping of a City maintenance facility and a new fire station and acquisition of a new pumper/ladder fire fighting vehicle and eleven garbage trucks.

General Obligation Bonds Issuance

On June 4, 2002 the City of Durham issued General Obligation Public Improvement Bonds, Series 2002 dated June 1, 2002 in the amount of \$25,910,000. The bonds were issued to the provisions of The Local Government Bond Act, as amended, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina, five orders duly adopted by the City Council of the City, and a resolution duly passed by the City Council. The bonds are being issued to provide funds, together with other available funds, for undertaking housing programs, providing and improving parks and other recreational facilities, constructing and reconstructing streets, improving arts and museum facilities of the city and providing public transportation system improvements.

As mentioned in the financial highlights section of this document, the City maintained for the third consecutive year, its Aaa bond rating from Moody's Investor Service and AAA rating from Standard and Poor's Corporation and Fitch Ratings. This bond rating is a clear indication of the sound financial condition of the City. The City is one of the few in the country that maintains the highest financial rating from all three major rating agencies. This achievement is a primary factor in keeping interest costs low on the City's outstanding debt.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the City is \$1,106,818,034. The net bonded debt issued, applicable to the bonded debt limit, is \$314,010,241 leaving a remaining debt margin of \$792,807,793. The City also has \$26,772,000 in general obligation bonds authorized but unissued at June 30, 2002.

Additional information regarding the City's long-term debt can be found in Note 3, G beginning on page 58 of this report.

BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2003

Governmental Activities

Property taxes (benefiting from local development) are expected to lead the increase in budgeted revenue by 8.0 %. There will also be expected revenue increase in other taxes, general operating revenue and in charges for services. Some of these increases will be offset by an expected 15.2% decrease in intergovernmental revenues. This is due the State of North Carolina's elimination of certain state shared revenues.

Budgeted expenditures in the General Fund are expected to decrease 1.6%, again state shared revenues are a factor in the decreasing expenditures.

The budget projections assume that an additional 1/2 % sales tax increase will be use to make up some of the loss in state shared revenues such as; intangibles taxes, inventory taxes and homestead taxes.

Some of the budget initiatives include Safe Neighborhoods, Emergency Preparedness and Response, Downtown Revitalization and Managing Growth.

Some capital improvement plans include park facilities and trails such as Durham Central Park, North-South Trail, American Tobacco Trail and the Eno Greenway.

Other capital improvements include Housing and Neighborhood Revitalization, Public Protection upgrades such as new Fire Stations and Radio Equipment.

Business-type Activities

The water and sewer rates in the City will increase by 5.28%, primarily to cover increased costs of operations. Over all revenues are expected to increase 2.5%. General operating expenses will increase by 5.0% to cover increased personnel costs, and 2.5% to cover increased costs of material, supplies, and other operating expenses. Capital costs will increase at an expected rate of 2.0%.

The solid waste disposal fund revenues are expected to increase by 1.0%. General operating expenses will increase by 5.0% to cover increased personnel costs, operating costs will grow by 2.5%. Indirect costs will grow by 5.0%. There is a new fee of \$50 for those customers wishing to use the City's yard waste collection service.

The storm water management fund will have no rate increase. Over all revenues are expected to increase 3.0%. General operating expenses will increase by 5.0% to cover increased personnel costs, and 2.5% to cover increased costs of operating expenses. There will be no increase in capital costs. The savings will be used to balance the fund without using an appropriation from fund balance.

The transit fund will see an increase in revenues and appropriations of 19.0% over fiscal year 2001-02. This is primarily due to loans and federal and state grants for the expansion of the system, including the purchase of buses and the building of a new transit maintenance facility.

The parking facilities fund will increase charges for current services by 1.0%. Personnel services are expected to grow by 5.0%, operating cost are expected to increase by 2.5%.

The civic center fund expects rental and lease revenue to increase by 3.0%. Personnel services are expected to grow by 5.0%, operating costs are expected to increase by 2.5%.

The ballpark fund expects rental and lease income to grow by 1.0%. Personnel services are expected to grow by 5.0%, operating costs are expected to increase by 3.0%. The ballpark fund receives a transfer from the general fund to pay debt service and to subsidize operating expenses.

FINANCIAL CONTACT

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, contact the City's Director of Finance on the 4th floor of City Hall, 101 City Hall Plaza, Durham, North Carolina 27701-3329.